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All Announcements in this column are charged at the rate of $3 per insertion.

BIRTH

LACEY.—On July 1, 1937, at the Country Hospital, Shanghai, to Mr. and Mrs. N. H. LACEY, a daughter, Gillian Norma. 8113

ENGAGEMENT

POL-DAY.—The engagement is announced of HENRI F. M. POL, of Rijswijk, The Hague, Holland, at present of the Shanghai Hebrew Mission, and IRMA EUNICE AGNES, daughter of Mr. and Mrs. W. L. Day of St. Paul, Minnesota, U.S.A., now of the China Inland Mission at Shanghai. -54

IMPARTIAL NOT NEUTRAL

THE DEVALUED FRANC

As the French Government is acting in close contact with the Treasury authorities of Great Britain and the United States of America it is probable that every effort will be made to avoid the unfortunate incompatibilities which partly contributed to the failure of last September's devaluation of the franc. If the present devaluation is to be successful it is essential that the burden of public debt should be reduced and that a rise in revenue should be facilitated by enhanced prices and a revival of trade. In carrying his devaluation last September M. Blum was twelve months late in the selection of the margin for the operation. The sharp rise of French commodity prices, dating from the middle of 1935 had been far in excess of the world level and had been accentuated by the social legislation and wages agreements sanctioned by the new Socialist Government. The 30 per cent. devaluation was barely sufficient in the most favourable conditions to restore equilibrium; it would have been easily effective a year earlier, but as things were it was considered by good judges that a 40 per cent devaluation would have given M. Blum the margin of safety required. Apart from that purely technical question the new Government heavily handicapped itself by associating its monetary policy with vindictive measures which antagonized capital and thus made it difficult to encourage repatriation and dishoarding.

Belatedly in December the Government attempted to regain the confidence of the capitalist by issuing a new loan for which subscriptions from holders of gold certificates were accepted on advantageous terms. This was not completely successful because the gold was not accepted at its full market value and holders were reluctant to take a Government bond in payment instead of cash. Moreover in its efforts to finance rearmament the Government was compelled to resort to disguised inflationary borrowing, its position being further prejudiced by its own action in bringing the Bank of France under state control. Pressure from the extreme left wing of a left-wing administration led to the Government's adoption of a policy which fatally took a middle course. It was willing to wound but afraid to strike the capitalist system. Thus measures which required for their success the co-operation of capital were obstructed by other measures which were designed to penalize the very interests whose assistance was essential. The result has been seen in the revival of a serious flight from the franc, on which M. Vincent Auriol's statement has been vividly illuminative—between June 1 and June 28 Frs. 7,700 millions worth of gold outflowed; Treasury Funds, which stood at Frs. 2,459 millions on June 15, fell to Frs. 1,483 millions on June 23 from which date a "mass flight of capital" began. M. Chautemps has now obtained wide powers to check the deterioration. His success in restoring the position will depend mainly on the extent to which the British and American Governments can continue to support the franc and that probably depends in turn on the new French Government's ability to avoid further disastrous concessions to anti-capitalist prejudice.

The present situation may be fairly summed up as connoting the complete loss of ground which was expected to be gained by the devaluation of last September. M. Chautemps will, no doubt, appreciate the lesson thus taught. His successful tackling of the crisis will depend on his adoption of a percentage which will be adequate to restore equilibrium between the franc and the dollar. M. Blum made the mistake of looking to a minimum percentage and thus was unable to secure the full advantage of the operation, apart altogether from his other self-imposed handicaps. Those were unfortunately conclusive in destroying all chances of success for they involved the association of political prejudices with monetary policy. The incompatibility of ideological theories with financial operations has thus been clearly exposed. The recent abandonment of the British Government's National Defence Contribution scheme afforded a minor example of the truth of that principle. No doubt profiteering on the straits of the nation's finances is a highly discreditable manoeuvre and should be checked by such means as are open to the administration, but if for that purpose vindictive disabilities are imposed on capitalism as a whole the direction of monetary policy is subordinated to purely political aims. The success of monetary reform depends ultimately on the judgment applied by the world market which takes no account of political theories but is severely limited in its observation to financial and economic realities. The object of devaluation is to confer certain recognized benefits on the community as a whole and to that issue the possibility that a few speculators will make an unjustifiable, yet perfectly legal, profit through appreciation of their exchange holdings is really irrelevant.

THE BOXING TANGLE

Through a technical omission Joe Louis has been recognized by the New York State Boxing Commission as the heavyweight champion of the world. Apparently Louis's registration with the New York Commission had expired before the ban was imposed on the fight in Chicago between him and the then world's champion, Jim Braddock. Therefore Louis could not be suspended by the New York body, because, in their eyes, he did not exist. The motive of the commission in suddenly conjuring him back into existence has not been revealed, but since big boxing is synonimous with big business, it should not be difficult to find. So there will now be two fights within a few weeks of one another for the "world's heavyweight championship." Both will be fought in London, if Louis can arrange terms suitable to himself and his managers. Louis will fight some heavyweight yet to be chosen, perhaps Jack Doyle, perhaps Len Harvey, perhaps Foord. But he will not fight the undisputed champion of the British empire, Tom Farr; and this fact will make farcical the claims of his sponsors that he will fight to establish beyond all doubt his claim to the world's crown. If that were really his object, his choice is easy; he should meet his conqueror, Max Schmeling, or otherwise the winner of the fight between Schmeling and Farr. Until he meets one or both of these fighters there will be few except the shareholders in the boxing commissions, boards, unions, and other pseudo-legal bodies involved, who will believe that he, as did his predecessors, triumphed over all opposition.

THE NEW COMMANDANT

When this journal's London correspondent telegraphed last week that Colonel J. W. Hornby had been recommended to the Shanghai Municipal Council by the British War Office for selection and appointment as the successor to Colonel F. R. W. Graham, it was at once noted that for the first time in recent history the Shanghai Volunteer Corps would be commanded by a cavalry officer. From the official announcement of Colonel Hornby's appointment it will have been seen that the Commandant-designate has had a varied experience which has included command of a camel corps as well as of a cavalry regiment. It should be added that the 12th Royal Lancers—they are allied to the 12th Manitoba Dragoon (Canada) and the Canterbury Yeomanry Cavalry (New Zealand)—are now a mechanized unit, so in addition to horses and camels the handling of tanks has come within Colonel Hornby's military philosophy. Those who have met him declare that, apart from his distinguished professional qualifications, he has a personality calculated to appeal specially to keen volunteers. His service with the Egyptian Army and Sudan Defence force underlines that point and there is every reason to believe that the traditions so ably carried on by Colonel Graham will be safe in his hands.

AMERICA'S RYDER CUP

Emphatically the American golfers have asserted their supremacy on British soil where hitherto no visiting team in competing for the Ryder Cup had been successful. Piquantly enough the heaviest defeat was the outcome of the duel between the respective Open Champions, the American, Ralph Guldahl, having the satisfaction of winning by eight up and seven to play. On the score alone that victory seemed to relegate Alfred Padgham to the ranks of the rabbits—but that is an unthinkable development although it will be noted that in the depression of the moment Padgham declares that he will not defend his title at Carnoustie next week. It is not for the layman to attempt to discuss the mysteries of the golfing mind, but in other less esoteric sports it would be considered that Padgham had all the greater incentive to prove that Guldahl's cavalier treatment of him was thoroughly unjustified. Still the heart knoweth its own bitterness. The fact remains that Great Britain's golfing professionals will have to wait until the Americans have recrossed the Atlantic before they can without discomfiture resume the task of teaching their feckless compatriots how to overcome Colonel Bogey.

WIMBLEDON THRILLS

The magic of Wimbledon seems to be proof against the periodical disappearance of players who have won high honour on its courts. Lenglen, Tilden, Helen Wills and now Perry, in surrendering their titles were in turn supposed to have robbed the annual festival of some quality which could not be replaced. The virtue must lie in the *genius loci* rather than in the noble phantoms who disport themselves there, for the reports suggest that the galleries have had their full measure of thrill and delight in watching the progress of the present heroes and heroines to the appointed goals. H. W. Austin has no reason to be ashamed of his defeat by Gottfried von Cramm. The German Baron was always the better player, it would seem, but the Englishman must have given him anxious moments. Had that first set gone the other way it might have taken but a little to give Austin the additional stimulus required for defeating form. As it was, the dourly contested third set—won by the eventual loser by 14 to 12—must have been well worth seeing. Von Cramm is thus a finalist for the third time. His victory would be popular if only because Donald Budge has time on his side, but even though the American had to drop a set to that impudent youngster from Milwaukee who is obviously waiting for the crown, it seems as if on form the odds are slightly in favour of Wimbledon having an American champion in the All-Comers' Singles, as well as, possibly, in the women's event unless Dorothy Round decides to repeat her success of 1934. But von Cramm will deserve commiseration if he has to be content with the title of runner-up for the third year in succession.

TWELVE BY-ELECTIONS

No less than twelve by-elections have been necessitated for constituencies in which vacancies have occurred either just before or since the recent reconstruction of the Cabinet consequent on the change of Prime Minister. All the constituencies concerned have been represented by supporters of the National Government since the General Election—ten Unionists and two Liberals. Of the ten Unionist seats all except two have been consistent in their allegiance since 1918—Hillhead, Buckingham, Bewdley, Kingston-on-Thames, Chertsey, Cheltenham, North Dorset and Ilford. Hemel Hempstead lapsed in 1923 by returning a Liberal and the Drake Division of Plymouth in 1929 by returning a Labour; each reversed the desertion in the subsequent election. The two Liberal Government seats—Holland-with-Boston and St. Ives—have been erratic, the former having returned a Labour, a Unionist and a Liberal since the War, the latter alternating between Unionist and Liberal with delightful freedom. In eight of the twelve constituences polling has taken place with no change in the political representation, except that at Cheltenham, Mr. Daniel Lipson as an Independent Unionist ousted the official Unionist owing probably to his local prestige as Mayor of Cheltenham, to say nothing of the appeal which his experience as a retired schoolmaster made to voters in so strongly scholastic a centre. Polling has still to take place at St. Ives (Liberal), North Dorset (Unionist), Chertsey (Unionist) and Kingston-on-Thames (Unionist). Generally it may be said that the Government has well held its ground although, as invariably happens, especially in Unionist constituencies, the interest taken in the by-elections has not been great; the votes cast have been markedly less than in 1935.

A Country Diary

July 1.—I am not so good at finding birds' nests as I was some years ago ....hence my adventures of this morning. Began by playing my old game of "hunt the thimble" with a Fan-tail Warbler: the rules of the game are that the little bird sounds his tiny bell (or so it seems) louder as you more nearly approach his nest....and if you are lucky you may strike his cup-like little home among the grasses: but usually he breaks the rules by diving off at 50 M.P.H. in the wrong direction and finally leaves you "creeked": the odds are ten to one on the bird and he ran true to form this morning—winning the race in a canter and leaving me (literally) in the soup....if that is what swamps are made of. So I wandered on looking for new adventure and soon found it. A Bush Warbler lured me among some reeds by giving some very unusual variations of his usual call of "OH-Oh-Oh-Richard" until I scented that he was singing near his nest: I followed up the clue through high reeds and bushes until I knew I must be right...and could almost see the little red eggs in his nest....I could hear the low *glug-glug-glug* call of the mate on the nest, when the earth suddenly opened and I fell down into something like an elephant-pit with nice juicy mud at the bottom: as I scrambled out (slightly soiled, and more frightened than hurt) a countryman came up and asked what I was doing: I tried to explain in bad Chinese that I was looking for a bird—but he was obviously convinced I was trying to commit *felo de se*—and to hide the body at the same time—so I made my excuses and departed. Determined to redeem my reputation I revisited a spot where I had heard Kingfishers squeaking in an excited manner which had aroused my suspicions at an earlier hour: there they were, diving at the steep bank of a pond, turn by turn, throwing out the mud and excavating a new tunnel for their second nest of the season. So now I have a new nest to watch....and I feel there is life in the old dog yet!

THE WEATHER

The temperature near Holy Trinity Cathedral, Shanghai, for 24 hours ending 7 p.m.

Yesterday Min. 69.0 Max. 85.0
Same date, 1936 Min. 80.0 Max. 96.0
Rainfall nil.
Siccawei Recordings:—
Yesterday Min. 67.5 Max. 87.8
Same date, 1936 Min. 77.9 Max. 95.2

Siccawei's Report

State on the morning of the 30th:—Pressure rather high and falling over Japan and Korea; normal and steady over China. Low area or even typhoon to the south-west of the Bonin, moving north-west. Variable winds along the China Coast. Cloudy and fine weather in China.

State on the morning of the 1st:—Cloudy and fine weather. South easterly wind. High and unsteady pressure.

Probabilities, 4.30 p.m. yesterday:—Hot weather with thunderstorms and variable winds around Shantung; with south-easterly to south-westerly winds in the Yangtze Valley. Cloudy with moderate north-westerly to north-easterly winds over the Eastern Sea and Formosa. The typhoon over the Pacific will slowly continue west-north-westward.—Siccawei Observatory.

ACKNOWLEDGEMENTS

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